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SUBJECT: KAZAKHSTAN: REGIONAL ENVIRONMENTAL CENTER FOR CENTRAL ASIA

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11. SUMMARY: The Regional Environmental Center for Central Asia (CAREC), founded in 1998 by the five countries of Central Asia, the United Nations Development Programme (UNDP), and the European Commission (EC), has a mandate to promote regional dialogue and cooperation across a wide range of environmental and developmental areas. CAREC's largest portfolio is water, and its goal is to attempt to facilitate a Central Asian regional agreement on water management, "in the most neutral way possible." CAREC is critical of large-scale hydro projects, considering them "politically-driven" and not economically feasible. CAREC plans to work in Afghanistan to promote sustainable development and environmental awareness, working through its Tajik branch office. Although U.S. Government funding for CAREC ended in 2005, Chevron continues to be a strong donor and partner, and CAREC hopes to see renewed U.S. support for its regional activities. END SUMMARY.

#### REGIONAL SCOPE AND REACH

12. CAREC was established during the Fourth Pan-European Conference in 1998 in Aarhus, Denmark, by all five Central Asian countries, the United Nations Development Programme, and the European Commission. CAREC established its current headquarters in Almaty in 2001, and has offices in all five member countries. Director Talabek Makeyev said CAREC seeks to address Central Asia's environmental problems through regional cooperation and dialogue in eight areas: environmental management and policy, civil society, sustainable development, water, climate change, sustainable energy, information sharing, and capacity building. Possibly the greatest challenge CAREC faces, he said, is to establish regional cooperation on water resource management and ensure sustainability of water basin ecosystems.

#### LARGE-SCALE WATER PROJECTS NOT ECONOMICALLY FEASIBLE

13. Makeyev said water is CAREC's largest portfolio, with more than one million Euros spent on various water projects since 2003. This includes a potable water supply project for the city of Almaty, which USAID funded 2003-05. Norway funded the project 2005-09, and

Germany will support future phases. Makayev stressed that this water project relies on co-funding by the local and oblast (regional) governments, and by the local water committee administration.

14. CAREC is also cooperating with the European Union (EU) to help local regions harmonize water standards with the EU, develop a water quality data exchange project in the Almaty District, and ensure access to trans-boundary water supplies in border communities. CAREC plans to host a regional conference in Almaty on water issues on October 6 as part of its overall strategy to enhance regional dialogue.

15. Makeyev acknowledged that water management is an extremely sensitive political issue in Central Asia, and said that if the countries in the region are not able to reach agreement, it will have troubling, long-lasting implications. According to Makeyev, CAREC's goal is to integrate the Central Asian countries into a regional agreement, "in the most neutral way possible." He said CAREC is working on some "neutral and trans-boundary projects," including community-to-community, trans-boundary watershed management projects that can lay the groundwork for a more long-term, regional solution.

16. Makeyev said that although water is the most accessible renewable energy source in Central Asia, the cost of hydropower is still much greater than coal, so the decision to use water rather than coal to generate electricity is more about politics than economics. In general, large-scale dams are not profitable, he said. However, communities need alternatives to coal in order to reduce the impact on the environment. As a result, CAREC is exploring ways to provide incentives for communities that incur costs when they abandon coal. He cited the example of Kazakhstan's and Kyrgyzstan's cooperation on the construction and operation of dams. Makeyev was critical of Kazakhstan's decision to invest in

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the maintenance and operation of a number of Kyrgyz dams and reservoirs in the Chu and Talas river basins that supply water to both countries. He insisted that this is neither economically viable nor environmentally sustainable, calling it a "political solution" to the problem of access to trans-boundary water.

#### CAREC'S OFFICE A SHOWCASE OF ENERGY EFFICIENCY

17. Makeyev said CAREC's own headquarters building in Almaty is a centerpiece of its energy efficiency project. CAREC plans to renovate the building, originally a kindergarten typical of office buildings throughout Central Asia, and promote it as a showcase of energy efficiency. CAREC wants to demonstrate, in the most cost-efficient way, how to change current energy usage, eliminate waste, and improve energy efficiency.

#### AARHUS AN IMPORTANT PART OF CAREC'S WORK

18. For Makeyev and CAREC, the four basic pillars of environmental sustainability are mobilizing resources and people, building capacity, raising awareness, and supporting pilot projects. CAREC works with local organizations and the Ministries of Education and Environmental Protection to prepare secondary school and university courses on sustainable development. CAREC, with support from the European Commission, plans to carry out an environmental awareness campaign in Central Asia in 2010, to emphasize the role of civil society and educate citizens about their rights and responsibilities under the Aarhus Convention. (NOTE: The United Nations Economic Commission for Europe Convention on Access to Information, Public Participation in Decision-making, and Access to Justice in Environmental Matters, usually known as the Aarhus Convention, was signed on June 25, 1998, in the Danish city of Aarhus. The Aarhus Convention grants the public rights regarding access to information, public participation, and access to justice in governmental decision-making processes on matters concerning the local, national, and trans-boundary environment. END NOTE.)

#### CAREC MOVING INTO AFGHANISTAN TO PROMOTE SUSTAINABLE DEVELOPMENT

¶9. Makeyev said that CAREC is now working in Afghanistan to promote sustainable development and increase environmental awareness. Through its Tajik branch office, he said that CAREC has easy access to Afghan culture and society, and can work closely with local governments and NGOs to foster civil society development.

#### U.S. GOVERNMENT SUPPORT FADED, BUT CHEVRON A STRONG PARTNER

¶10. Makeyev thanked the United States government for its past support of CAREC, but said that most of that support ended in 2005. He expressed hope that, with a new administration, the United States would again consider helping CAREC carry out its mission. He said that Chevron has been a strong partner of CAREC, willing to fund education programs to teach youth about sustainable development. Makeyev urged the United States to send an expert to work in CAREC alongside a German expert resident in Almaty.

¶11. COMMENT: CAREC is one of the few environmental organizations in Central Asia with a regional mandate. Even though it has strong UNDP and EU support, CAREC is nevertheless eager to work with the United States and sees a renewed opportunity with the new administration. The Department of Energy is also looking for reliable partners to help implement renewable energy and energy efficiency projects, and this appears to be a natural fit. As the United States seeks to engage local entities in Kazakhstan and elsewhere in Central Asia, CAREC certainly deserves our attention.  
END COMMENT.

HOAGLAND